

Beacon-Hill "Study" Quotes

... "the state's [Montana] electricity consumers will pay \$225 million in 2015.... Montana's electricity prices will increase by an average of 1.33 cents per kilowatt-hour, or by 28 percent, in 2015." Page 4 Executive Summary

"These higher energy prices will hurt Montana's households and businesses and, in turn, inflict significant harm on the state economy..." Page 4 Executive Summary

The BHI model suggests that by 2015 the Montana economy will lose an average of 1,874 jobs, within a range of between 1,172 jobs under our low cost scenario and 2,893 jobs under our high cost scenario." Page 4 Executive Summary

"One could justify the higher electricity costs if the environmental benefits, in terms of reduced GHG emissions, outweigh the costs." Page 5 Executive Summary

Montana unemployment falls to 5.3 percent

March 17, 2014 12:14 pm • Associated Press

HELENA [REDACTED]

Labor Commissioner Pam Bucy says the state [REDACTED] and 200 public jobs in January. The leisure and hospitality sector led the way, adding 1,200 jobs. Including agricultural and self-employed workers, [REDACTED], marking the [REDACTED].

Bucy says recalculations using more complete data showed [REDACTED]. But the recalculations also indicated Montana's unemployment rate in December was 5.4 percent, a bit higher than the 5.2 percent originally reported.

The [REDACTED] in January. February's numbers are due out next week.

Montana's economy sees stronger growth in 2013

December 29, 2013 12:15 am • By JAN FALSTAD jfalstad@billingsgazette.com

If Cal Kunkel were playing baccarat in Las Vegas, instead of building apartments in Billings, he'd definitely be a high roller.

The risk taker decided to start building apartment complexes just before the housing recession hit.

"Without bragging, I think in the past eight years, I've built more apartments than anyone else," he said.

He and his partners have invested \$66 million building more than 700 apartments in four West End and four Heights developments.

And Kunkel is only half done, as long as his buildings keep filling up.

"I'm just lucky, maybe," he said. "If everything works good, I'm trying to build 100 units a year for the next eight years."

His 168-unit Sunset Beach development off King Avenue West was completed in late summer, and he's now building Western Sky One at King and 44th Street West.

Rental property may remain hot because home construction is still recovering.

U.S. contractors are expected to start about 1 million homes this year, still way below the average of 1.6 million starts during the past decade.

Billings builders took out 393 single-family home permits through November, 57 more than the same period last year.

As many as 1,800 homes could be sold in Yellowstone County this year, he said, which is 9 percent below the peak seen in 2006.

This year should have been a banner year because interest rates are 35 percent lower than 2006 and the county has 15,000 more residents.

[REDACTED], putting them well within reach of buying a home. Even with all those positives, home sales have increased only 27 percent since 2006, Sumner said.

[REDACTED] and yet you have fewer sales for those statistics," he said. "There is only one way for that to occur: Our friends in Washington, D.C., made it more difficult for you as a consumer to purchase a home."

He estimates that 30 percent of first-time homebuyers can't get financed for low or no down payment Federal Housing Administration loans.

Still, Yellowstone remains the second-fastest growing county in Montana, behind Gallatin County.

"Construction in Yellowstone County, I won't say it's off the charts, but it's very, very healthy," said Patrick Barkey, director of the University of Montana's Bureau of Business and Economic Research.

Building at the refineries has help boost the numbers, he said.

And Billings is home to some big regional projects, including the Scheels megastore costing \$40 million, the \$38 million FedEx Ground transportation hub and the new Billings library costing about \$20 million.

Local economics

[REDACTED]

"It's a disappointingly slow recovery, but it's a recovery," he said.

[REDACTED], but it still lags behind the 3.2 percent growth seen between 2001 and 2008.

Agriculture revenues this year are running a shade better than last year, said George Haynes, a professor of small business finance and agricultural policy at Montana State University in Bozeman.

"We don't have final numbers, but we're thinking Montana perhaps got over the \$4 billion threshold for ag revenues, possibly for the first time," he said.

Grain prices will stay strong in 2014 and Montana cow/calf producers should benefit from high prices and lower national cattle inventories, he said.

Tourism is another bright spot.

For the first nine months of 2013, 2 percent more out-of-state visitors came to Montana, especially Canadians, than last year. And they spent 9 percent more on hotels, gas, shopping and restaurants and that is the key statistic, said Jeri Duran, division administrator for the Montana Office of Tourism in Helena.

"We want to get income out of the visitors, not necessarily just more visitors," she said.

The federal government shutdown cut fall visitors to Yellowstone National Park by 73 percent and

Montana's Institute for Tourism and Recreation Research. Yet visitation to Montana's star attractions is up for the year and tourism revenues should outpace last year, she said.

Montana is enjoying "very strong" growth in employment and wages for the first half of the year, Barkey said.

Yellowstone County has a 3.5 percent jobless rate, a low last seen in July 2008 before the recession. The tight labor market is forcing hospitality and retail employers to raise wages or add benefits, said Billings Job Service manager Ryan Van Ballegooyen.

"They realize it's their time to acquiesce to what the job seeker wants, rather than the other way around when unemployment was 8 percent," he said.

Areas of Western Montana clobbered by the recession are coming back, including Ravalli and Flathead counties where the moribund forest products industry is recovering. But those counties still have a long way to crawl out of the deep hole they fell into, Barkey said.

[REDACTED]

China's once double-digit growth has dropped almost by half. A slowdown in overseas demand can depress prices for Montana's ag products and precious metals. That's a worry for Montana Resources in Butte, which operates one of the least profitable copper and molybdenum mines in the world, Barkey said.

"If copper prices fall, companies operate their more profitable mines," he said.

Next year should see continued economic growth.

Last year, Barkey's economic team predicted that Montana's economy would grow 3 percent in 2014. The team is updating that forecast now for release in January.

This recovery has been good for U.S. companies and owners, Barkey said, but not for workers, whose wages haven't risen significantly.

Domestic auto sales are healthy, but consumers are borrowing less frequently to purchase other big ticket items, he said. Since consumer spending accounts for two-thirds of the country's growth, stimulating demand is an important goal, he said.

"It's not really clear what policymakers can do to make that happen. I think we're learning to live where we are," Barkey said. [REDACTED]